GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2502
ANSWERED ON:31.07.2017
Solar Panel Case at WTO
Birla Shri Om

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the solar panel manufacturers of the United States of America (USA) had expressed their resentment in solar panel procurement case last year and lodged complaints with the World Trade Organisation (WTO) in this regard wherein judgement was given in their favour;
(b) if so, the reaction of the Government thereto and the strategy being devised for procurement policy in the future;
(c) whether the Government proposes to seek changes in the existing laws of WTO to give protection to the domestic industries and if so, the details thereof;
(d) whether the Government is also contemplating to give up the membership of the WTO and if so, the details thereof; and
(e) whether the Government has taken any decision to formulate National Procurement Policy to give preference to the domestic manufacturers in Government purchases and if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) & (b) : The United States (US) filed a dispute before the Dispute Settlement Body (DSB)of the World Trade Organisation (WTO) on India's domestic content requirements(DCR) in its procurement of solar cells and modules in some of the projects under Phase I and Phase II of the Jawaharlal Nehru National Solar Mission (JNNSM), claiming inconsistency with the WTO obligations. Based on the findings and recommendations of WTO Appellate Body/Panel, the DSB ruled that India's stated measures, which mandates DCR for the private developers, is inconsistent with its obligations under the WTO and hence India should bring its measures in conformity with its obligation under WTO within the reasonable period of time as mutually agreed upon.

(c) & (d) : Government of India (GoI) is neither considering approaching WTO for amendment of the WTO text for allowing DCR nor withdrawing from the membership of WTO on this account.

(e) : General Financial Rules (GFR) 2006 and the manuals, notifications/orders issued thereunder, governing the Central Government procurement (GP), provides for preference to domestic manufacturers. Apart from this, certain policy documents like the National Electronics policy, the Telecom Policy etc have mandatory DCR provisions on GP, which are based on the discipline on GP under WTO. GoI also facilitates such procurement through other ways as well, including subsidising domestic manufacturers, wherever required and feasible.
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